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**SCHEDULE**

**SECTION A - SUPPLIES AND SERVICES TO BE FURNISHED**

The Contractor shall perform all work and services incident to the development of, and shall furnish and deliver the items of equipment set forth in the attached Schedules Numbers 1, 2 and 3, such schedules being a part of this schedule under the contract.

**SECTION B - CONSIDERATION AND PAYMENT**

*See Amend 1  
Para 2 b*  
In accordance with the clause of this contract entitled "PAYMENTS," and ~~subject to redetermination of the price in accordance with the part of this schedule entitled "PRICE REDETERMINATION,"~~ the Government shall pay the Contractor ~~upon satisfactory performance of this contract, as full payment for the equipment to be furnished by the Contractor hereunder, the amount of [REDACTED] which amount is the total of the prices set forth in Schedules 1, 2, and 3, hereto.~~  
*See Amend 2 Para 3 c*

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**SECTION C - DELIVERY**

Deliveries under this contract shall be made f. o. b. Contractor's or Subcontractors' plants for shipment under Government Bills of Lading or such other method as directed by the Contracting Officer. Delivery shall be made in accordance with the delivery schedule set forth in Schedules 1, 2 and 3, hereof.

**SECTION D - PRICE REDETERMINATION**

(a) Because of the nature of the work called for in Schedules 1 and 2 of this contract and the great uncertainty as to the costs of performance thereunder, the parties agree that the total contract prices fixed in Schedules 1 and 2 hereof may be increased or decreased in accordance with the provisions of this clause.

(b) Within 60 days after the completion or termination of this contract, the Contractor will file with the Contracting Officer a statement showing, in such form and detail as the Contracting Officer may prescribe, the Contractor's cost of producing the supplies or furnishing the services called for in Schedules 1 and 2 hereunder, together with such other information as may be pertinent in the negotiation for redetermined prices pursuant to this clause. Such statement of cost shall fairly reflect the normal operations of the Contractor's cost system. The Contractor will establish and maintain separate records of costs of performing each of Schedule 1 and 2 of

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this contract. The Contracting Officer shall have the right at all reasonable times to make or cause to be made such examination or audits of the Contractor's books, records and accounts as he may request.

The Contractor further agrees to include in each of his subcontracts which is on a cost or cost-plus-a-fixed-fee or a price redetermination basis a provision to the effect that the subcontractor agrees (i) to submit to the Contracting Officer such cost data as may be required for price redetermination, (ii) to permit the Contracting Officer to make or cause to be made such examination and audits of the books, records and accounts as the Contracting Officer may deem necessary, and (iii) to include a like provision in each of his subcontracts which is on a cost or cost-plus-a-fixed-fee or a price redetermination basis.

(c) Upon the filing of the statement and other pertinent information required by paragraph (b) of this clause, the Contractor and the Contracting Officer will promptly negotiate in good faith to agree upon reasonable redetermined total prices for Schedule 1 and 2 which, upon the basis of such statement and other pertinent information, will constitute fair and just compensation to the Contractor for the performance of Schedules 1 and 2 of this contract. In determining the extent of any estimated allowance for profit to be taken into account in fixing such redetermined prices, consideration will be given to the extent to which the Contractor has performed Schedules 1 and 2 of the contract with efficiency, economy, and ingenuity. In no event shall the redetermined prices exceed the following sums.

Maximum total price of Schedule 1 -

Maximum total price of Schedule 2 -

*Paragraph 3 d  
amount 2*

The redetermined prices shall be evidenced by a supplemental agreement to this contract.

(d) If within 60 days after the completion or termination of this contract, the parties shall fail to agree upon redetermined prices (which term, for the purpose of this clause, shall include direct costs, indirect costs and profit) in accordance with the provisions of this clause, the failure to agree shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

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(e) In the event of a price increase the Government will pay or credit to the Contractor the amount by which the redetermined price(s) shall exceed the contract prices in Schedule 1 and 2, aforesaid. In the event of a decrease in price (s) the Contractor will repay or credit the amount of such decrease to the Government in such manner as the Contracting Officer may direct.

(f) For any of the purposes of the clause of this contract entitled "Termination for Convenience of the Government" (including without limitation, computation of "the total contract price" and "the contract price of work not terminated") the contract price shall be the redetermined contract price agreed upon under paragraph (e) of this clause or determined under paragraph (d) of this clause, ~~plus the contract price of Schedule 3, as the case may be.~~ Amend 1

Para 2 C

#### SECTION E - PROGRESS PAYMENTS

Progress payments, which are hereby defined as payments made as work progresses under this contract upon the basis of (i) costs incurred, (ii) percentage of completion accomplished, or (iii) a particular stage of completion, may be made upon the following terms and conditions.

(a) The Contracting Officer may, from time to time, authorize progress payments to the Contractor upon property acquired or produced by it for the performance of this contract: PROVIDED, that such progress payments shall not exceed 90 percent of the costs to the Contractor of direct labor and material and/or component parts purchased for that property upon which payment is made, which costs shall be determined from evidence submitted by the Contractor and which must be such as is satisfactory to the Contracting Officer; PROVIDED FURTHER, that in no event shall the total of unliquidated progress payments (see (c) below) and of unliquidated advance payments if any, made under this contract, exceed 90 percent of the total contract price of supplies still to be delivered.

(b) Upon the making of any progress payment under this contract, title to all parts, materials, inventories, work in process and non-durable tools theretofore acquired or produced by the Contractor for the performance of this contract, and properly chargeable thereto under sound accounting practice, shall forthwith vest in the Government; and title to all like property thereafter acquired or produced by the Contractor for the performance of this contract and properly chargeable thereto as aforesaid shall vest in the Government forthwith upon said acquisition or production: PROVIDED, that nothing herein shall deprive the Contractor of any further progress or final payments due or to become due hereunder; or release the Contractor or the Government of any of their respective rights or obligations under this contract.

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(c) In making payment for the supplies furnished hereunder, there shall be deducted from the contract price therefor a proportionate amount of the progress payments theretofore made to the Contractor, under the authority herein contained.

(d) It is recognized that property (including, without limitation, completed supplies, spare parts, drawings, information, partially completed supplies, work in process, materials, fabricated parts and other things called for herein) title to which is or may hereafter become vested in the Government pursuant to this clause will from time to time be used by or put in the care, custody or possession of the Contractor in connection with the performance of this contract. The Contractor, either before or after receipt of notice of termination at the option of the Government, may acquire or dispose of property to which title is vested in the Government under this clause, upon terms approved by the Contracting Officer; PROVIDED, That after receipt of notice of termination, any such property that is a part of termination inventory may be acquired or disposed of only in accordance with the provisions of the clause of this contract entitled Termination for Convenience of the Government and applicable laws and regulations. The agreed price (in case of acquisition by the Contractor) or the proceeds received by the Contractor (in case of any other disposition), shall, to the extent that such price and proceeds do not exceed the unliquidated balance of progress payments hereunder, be paid or credited to the Government as the Contracting Officer shall direct; and such unliquidated balance shall be reduced accordingly. Current production scrap may be sold by the Contractor without approval of the Contracting Officer but the proceeds will be applied as provided in this paragraph (d), provided that any such scrap which is a part of termination inventory may be sold only in accordance with the provisions of the Termination for Convenience of the Government of this contract and applicable laws and regulations. Upon liquidation of all progress payments hereunder or upon completion of deliveries called for by this contract, title to all property (or the proceeds thereof) which has not been delivered to and accepted by the Government under this contract or which has not been incorporated in supplies delivered to and accepted by the Government under this contract and to which title has vested in the Government under this clause shall vest in the Contractor.

(e) The clause of this contract captioned "Liability for Government Furnished Property" and any other provision of this contract defining liability for Government-Furnished Property shall be inapplicable to property to which the Government shall have acquired title solely by virtue of the provisions of this clause. The provisions of this clause shall not relieve the Contractor from risk of loss or destruction of or damage to property to which title vests in the Government under the provisions hereof.

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(f) If this contract (as heretofore or hereafter supplemented or amended) contains provisions for Advance Payments, and in addition if at the time any progress payment is to be made to the Contractor under the provisions of this progress payments clause any unliquidated balance of advance payments is outstanding, then notwithstanding any other provision of the Advance Payments Clause of this contract the net amount, after appropriate deduction for liquidation of the advance payment, of such progress payment shall be deposited in the special bank account or accounts maintained as required by the provisions of the Advance Payments Clause, and shall thereafter be withdrawn only pursuant to such provisions.

**SECTION F - FURNISHING OF MATERIALS OR SUPPLIES AT THE GOVERNMENT'S OPTION**

The Government may at its option, from time to time furnish the Contractor with materials or supplies not obtainable in the open market and which are required by the Contractor for the performance of this contract. In such event, an equitable reduction in the contract price shall be made prior to the delivery of such materials or supplies to the Contractor, or as soon thereafter as possible, but in no event later than thirty (30) days after such delivery.

**SECTION G - SPECIAL SECURITY RESTRICTIONS**

The Contractor shall not reveal (i) the specific nature or any details of the work being performed hereunder or (ii) any information whatsoever with respect to the department of the Government sponsoring this contract and the work thereunder except as the Contractor is directed or permitted to reveal such information by the Contracting Officer or by his duly authorized representative for security matters, and notwithstanding any clause or section of this contract to the contrary. The Contractor shall not interpret any clause or section of this contract as requiring or permitting divulgence of such information to any person, public or private, or to any officer or department of the Government without the express consent of the Contracting Officer or his duly authorized representative for security matters.

**SECTION H - INSPECTION AND AUDIT**

(a) The Contractor agrees that its books and records and its plants, or such part thereof as may be engaged in the performance of this contract, shall at all reasonable times be subject to inspection and audit by any authorized representative of the Contracting Officer.

(b) The Contractor shall cause a like provision to be included in all subcontracts hereunder.

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**SECTION I - INSPECTION AND ACCEPTANCE**

Inspection and acceptance of the items contracted for under this contract shall be made by the Government at the Contractor's plant, Buffalo, New York, with respect to any items fabricated and/or assembled and packed as individual or integral units at the Contractor's plant. With respect to items fabricated and/or assembled and packed as individual or integral units at sub-contractors' plants, the point of inspection and acceptance shall be at the plant of such subcontractor.

**SECTION J - PACKING OF ITEMS DELIVERED**

The items delivered under this contract shall be packed for domestic shipment in accordance with standard commercial practices.

**SECTION K - SUBCONTRACTS FOR WORK OR SERVICES**

(a) No contract shall be made by the Contractor with any other party for furnishing any of the completed or substantially completed articles, or parts or work, herein contracted for, without the written approval of the Contracting Officer as to sources.

(b) The Contractor shall give specific advance notification to the Contracting Officer of any proposed subcontract hereunder which (1) is on a cost or cost-plus-a-fixed-fee basis, or (2) is on a fixed-price basis exceeding in dollar amount either \$25,000 or five percent (5%) of the total amount of this contract.

(c) The Contractor shall not, without the prior written consent of the Contracting Officer, place any subcontract which (1) is on a cost or cost-plus-a-fixed-fee basis, or (2) is on a fixed-price basis exceeding in dollar amount either \$25,000 or five percent (5%) of the total amount of this contract, or (3) provides for the fabrication, purchase, rental, installation or other acquisition, of any item of industrial facilities, or of special tooling having a value in excess of \$1,000, or (4) is on a time-and-material or labor-hour basis. The Contracting Officer may, in his discretion, ratify in writing any such subcontract; such action shall constitute the consent of the Contracting Officer as required by this paragraph (c).

(d) The Contractor agrees that no subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

(e) The Contracting Officer may, in his discretion, specifically approve in writing any of the provisions of a subcontract. However, such approval or the consent of the Contracting Officer obtained as required by this clause shall not be construed to constitute a determination of the acceptability of the subcontract price, unless such approval specifically provides that it constitutes a determination of the acceptability of the subcontract price.

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(f) The Contracting Officer may approve all or any part of the Contractor's purchasing system and from time to time rescind or reinstate such approval. Such approval shall be deemed to fulfill the requirements for obtaining the Contracting Officer's consent to subcontracts as prescribed in paragraph (c) above.

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